



Maricopa County April 2006 Newsletter

Farm Service Agency

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Mark W. Dobson, Chairperson
Hours: 7:30 am to 4:00 PM

PROGRAM NOTES:

Dates to Remember



- April 1st - Status Date Deadline For PL Changes
- May 17th - Deadline for Initial MILC Signup
- June 1st - DCP Timely Signup Deadline
- On going - Farm Loan Program Applications are accepted (Direct and Guaranteed Loans)

ATTENTION: PLEASE READ!!!

DCP Advance Payment Percentages- (ACTION):

On February 8, 2006, the President signed the Agricultural Reconciliation Act of 2005 (2005 Act) into law which provides for modifications to the DCP direct advance payment percentages for FY's 2006 and 2007. 2006 Direct Payment Advances will be 40% and up to 22 percent of the direct payment for a covered commodity for the 2007 crop year.

Effect on Farms Enrolled for FY 2006

If the contract was "enrolled"... Then the DCP Direct Advance Pay Percentage is:

On or Before February 8, 2006	50%
After February 8, 2006	40%

2006 Advance Payment Rates

Crop	50 Percent of Final Payment Rate/ 40 Percent of Final Payment Rate		
Wheat (bu.)	\$0.26	/	\$0.208
Oats (bu.)	\$0.012	/	\$0.0096
UPCN (lb.)	\$0.03335	/	\$0.02668
OT Oilseeds (lb.)	\$0.0040	/	\$0.0032
Corn (bu.)	\$0.14	/	\$0.112
Gr Sorghum (bu.)	\$0.175	/	\$0.14
Barley (bu.)	\$0.12	/	\$0.096

REMINDER: DCP "Direct and Counter Cyclical Program Deadline is June 1, 2006 to be considered "timely filed" (After this date, you may sign up until

September 30th, 2006- provided you submit the \$100.00 late fee).

ATTENTION DAIRY

PRODUCERS!! Signup for the Extension of the Milk Income Loss (MILCX) Program - (ACTION):

The initial signup for the MILCX program began on March 13, 2006, and will end COB May 17, 2006. During this time you may choose any month beginning December 2005 through April 2006, in which there was a payment rate in effect or any month thereafter.

Extended signup begins on May 18, 2006 and ends September 30, 2007. During this time you may no longer choose a month for which a rate is already in effect.

Form CCC-580X will need to be completed and a start month chosen.

The maximum payment quantity of 2.4 million pounds has not changed.

Non-Insured Crop Assistance Program - (INFO):

The cost for NAP is a service fee of \$100 per crop, per a total of \$300 per producer, per county. Not to exceed \$900.00 total for all counties.

2006 Crop Year Sales (Application) Closing Dates are set by the state committee. **Producers are required to apply for the NAP program prior to these dates in order to remain eligible for payments.**

May 31, 2006- Nursery

2007 Crop Year Sales (Application) Closing Dates May 31, 2006- Artichokes, Beans (Gar), Beets, Broccoli, Cabbage, Carrots, Cauliflower, Celery, Flowers (Chrysanthemum), Garlic, Greens (ALL), Herbs (Cilantro), Mustard, Oats, Onions, Peas, Radish, & Tomatoes.

Producers are reminded of these dates to ensure continued eligibility for the 2007 crop year. Producers must:

1. Annually provide records of crop acreage, crop yields, and production evidence for NAP crop to be eligible.
2. Inform FSA within 15 days of the date any disaster condition occurred or damage to the crop became apparent. **Producers must file this form even if they intend to harvest the crop.**
3. Not exceed the gross revenue cap of \$2.0 million. HELC/WC compliance is required (AD-1026)

You must file a notice of loss within 15 days from the date that the loss was apparent.

Fruit and Vegetable (FAV) Rules on

Base Acreage Producers may plant F A V's fruits and vegetables) on base acres enrolled in DCP:

- In a double cropping practice with covered commodities in a region designated as having a history of double cropping.
- On a farm with a history of planting FAV's
- If the producer has an established history of planting a specific fruit or specific vegetable.

The double cropping exception provides that FAV's may be planted on base acres enrolled in DCP without violation or payment reduction if the FAV is planted in a double-cropping cycle. **Maricopa County is a designated double-cropping region.**

FAV double cropping with covered commodities means planting and harvesting of a covered commodity for **Grain** or **Lint** in a cycle with the planting and harvesting of FAV's on the same acreage in a 12 month period with the ability to plant and harvest the same 2 crops in the immediately succeeding 12 month period, under normal growing conditions.

FAV's may be planted before or after the covered commodity to be considered double cropped.

Exception to F.A.V. Rule- (INFO):

Every rule has an exception, and the exception for the FAV — that's fruits (including nuts) and vegetables — rule is that FAVs may be planted without penalty on Direct and Countercyclical Payment Program base acres under these conditions:

- FAVs are designated as and meet the definition of a home garden;
- FAVs are *planted and reported* with an intended use of green manure or forage and the producer pays a fee to cover the cost of a farm visit to verify that the crop has not been harvested as FAV;
- lentils, mung beans and dry peas (dry peas include Austrian, wrinkled seed, green, yellow and umatilla).

The producer must declare his or her intentions when the acreage report is filed and cannot subsequently change the intended use of reported FAV acreage to home garden, green manure or forage to negate a violation or payment reduction. Better safe than sorry; check with the county office staff before planting any FAVs (or wild rice) on DCP base acres.

Crop Certifications Deadline-

(ACTION): Deadline dates are as follows:

- May 15th, 2006 -small grain crop certifications.
 - July 15th, 2006 – cotton, corn and all other crops.
- Please **schedule your appointments early** to avoid the last minute rush and unforeseen delays.

2006 Wool and Mohair Price Support

Benefits-(ACTION): "New Policy" effective 02/17/06 Wool and Mohair for additional Loan Deficiency Payment (LDP)

Wool and mohair producers who have obtained an LDP benefit on a certified quantity may receive an additional LDP disbursement on the quantity in excess of the certified quantity after delivery of the wool or mohair when beneficial interest is lost. Please contact Joann for more information.

LDP's for Wool, Mohair & Unshorn

Pelt Producers-(ACTION):Wool, mohair and unshorn pelt producers will find applying for commodity loans and loan deficiency payments a little easier this year thanks to the new CCC-633 EZ form. The EZ form will take the place of the older CCC-633 PELT and CCC-709 PELT forms. Page one of the EZ form indicates the producer's intention to receive LDP benefits later on. **It's important that producers complete 633 EZ page one before losing "beneficial interest in the commodity."**

The CCC-633 EZ has been revised to accommodate requests for LDP's for wool, mohair and unshorn pelts. **Page four of the revised EZ form will be specifically for wool, mohair and unshorn pelt producers to request an LDP.** The revised EZ form is available now at the county office or online at www.fsa.usda.gov.

"New Policy" CCC Authorizes On-Ground Farm Storage for Marketing Assistance Loans (MAL's) and Loan Deficiency Payments (LDP's) for Crop Year 2005-(ACTION):

Effective 2/22/06, in response to Hurricane Katrina and its affect on grain storage, CCC approved the use of outside farm storage for commodities offered as collateral for a 9-month nonrecourse loan for crop year 2005. MAL's and

LDP's commodities stored on-ground will be considered approved farm-stored. Eligible harvested commodities stored on the ground are eligible to be pledged as collateral for a 9-month nonrecourse loan for crop year 2005 for MAL's and LDP's. Commodities stored on the ground must be:

- under the control of the producer (i.e. on the producer's farm)
- protected from animals
- safely and securely located so that water drainage will not seriously affect the quality and quantity of the commodity pledged as collateral for MAL and LDP.

Additional Eligible Storage Structures:

Eligible harvested commodities may be stored in bags, if:

- COC determines that CCC's interests are not at risk
- the storage structure provides for safe storage.

Final Loan/LDP Availability Dates

The final loan/LDP availability dates are, of the calendar year, after the calendar year the grain/cotton is harvested. For example, for crop year 2005:

- **March 31, 2006** for Barley, Oats, Wheat and Honey
- **May 31, 2006** for Corn, Grain Sorghum, and Cotton

Fallow Acreage- (INFO): Fallow acreage not devoted to crops must be kept clean or free of noxious weeds during the crop year. **Failure to do so may result in loss of program benefits for the year,** Non-compliance assessment or both. The acreage required to meet this criteria is your crop acreage bases.

Attention: All Cotton Producers!!-

(INFO): Some warehouse operators have received cotton bales for warehouse receipted storage that later inspectors revealed were water-packed. Cotton bales received with excessive moisture (7.5%) may not storable or merchantable. When warehouses receive such cotton, the cotton bale's exterior appearance may seem storable. As weather conditions change and time passes, mold begins to form and damage becomes apparent. Water-packed cotton is defined as, cotton in a bale that has been penetrated by water during the baling process, causing damage to the fiber, or a bale that through exposure to the weather or by other means, while apparently dry on the exterior, but has been damaged by water in the interior. False-packed cotton is defined as, cotton in a bale (1) containing substances entirely foreign to cotton; (2) containing damaged cotton in the interior with or without any indication of such damage upon the exterior; (3) composed of good cotton on the exterior and decidedly

inferior, in such manner as not to be detected by customary examination; or (4) containing pickings or linters worked into the bale. CCC does not consider water-packed or false-packed cotton bales to be eligible for marketing assistance loans. Upon the discovery of either of these conditions, CCC may determine the cotton bales are ineligible to receive loan deficiency payments or to be pledged as collateral, for marketing assistance loans and request repayment of the loan at principal plus interest.

NEW TOLL-FREE Number for FSA Farm Loan Borrowers- (INFO):

As of February 2, 2006, FSA direct loan borrowers are able to check the status of their accounts any time, day or night, using the new toll-free telephone number, **1-888-518-4983** and is available in English and Spanish. The system delivers information on active FSA loans 24 hours a day, 7 days a week.

The telephone system provides FSA direct loan borrowers with the following information:

- loan number;
- original loan amount;
- unpaid principal;
- if the borrower is delinquent and the amount of the delinquency;
- due date of next installment;
- principal and interest amount of next installment;
- date last payment was received;
- amount of interest paid in current calendar year; and
- amount of interest paid for prior loan year.

During the first call to the new system, borrowers will enter their tax identification number (TIN) or the social security number (SSN) associated with the loan. They also will need to enter their zip code. Borrowers will create a personal identification number (PIN) for security. Customers must enter their PIN every time they use the system and may change their PIN. The system menu helps users access helpful information. The system may also direct borrowers to contact their local FSA servicing office if action is necessary on their accounts. FSA has more than 73,000 direct borrowers with about \$7.2 billion in its loan portfolio. The agency makes direct farm ownership, operating and emergency loans to family-size farmers and ranchers who cannot obtain commercial credit from a bank, Farm Credit System institution or other lenders. Borrowers can use FSA loans to purchase land, livestock, equipment, feed, seed, and supplies, construct buildings or make farm improvements. Special loan programs also exist for rural youth.



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Attention: FSA Program Participant
This newsletter contains valuable information and important dates
regarding our programs, therefore you may lose valuable benefits \$\$\$
IF YOU DO NOT READ IT!

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